

INSURANCE DIVISION[191]

Adopted and Filed

Pursuant to the authority of Iowa Code section 502.605, the Insurance Division hereby amends Chapter 50, "Regulation of Securities Offerings and Those Who Engage in the Securities Business," Iowa Administrative Code.

The rules in Chapter 50 provide duties and procedures to follow for the regulation of securities offerings and those who engage in the securities business in Iowa. The amendments to the rules update and clarify duties and procedures.

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 11, 2010, as **ARC 9010B**. A public hearing was held on September 3, 2010, at the offices of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa. Comments were received that requested the deletion of proposed subrule 50.60(7) requiring electronic filing of submissions. That change has been made; proposed Item 8 has not been adopted.

These amendments are intended to implement Iowa Code chapter 502.

These amendments shall become effective November 24, 2010.

The following amendments are adopted.

ITEM 1. Rescind the definition of "NASD" in rule **191—50.1(502)**.

ITEM 2. Adopt the following new definition of "FINRA" in rule **191—50.1(502)**:
"FINRA" means the Financial Industry Regulatory Authority.

ITEM 3. Strike "NASD" wherever it appears in **191—Chapter 50** and insert "FINRA" in lieu thereof.

ITEM 4. Amend subrule 50.10(1) as follows:

50.10(1) An applicant for an initial registration to conduct business as a broker-dealer must:

a. File a current Form BD. If the applicant is a member of FINRA, Form BD shall be filed with CRD. If the applicant is not a member of FINRA, Form BD shall be signed and notarized and filed with the administrator; and

b. ~~File with the administrator copies of the applicant's most recent audited financial statements prepared by an independent certified public accountant in accordance with generally accepted accounting principles and including, at a minimum, a balance sheet, income statement and net capital calculation;~~

~~*c. b.* Pay a \$200 filing fee. If the applicant is a member of FINRA, the fee shall be remitted to the CRD. If the applicant is not a member of FINRA, the fee shall be remitted to the administrator; and~~

~~*d.* File with the administrator a completed Iowa Broker-Dealer Affidavit form including:~~

~~(1) A signed and notarized statement indicating that the applicant engaged in no securities transactions with persons in Iowa prior to registration or, if applicable, identifying all past and current accounts of persons in Iowa; and~~

~~(2) A signed consent to service of process pursuant to Iowa Code section 502.611. The form may be obtained from the Iowa Securities and Regulated Industries Bureau, 340 Maple Street, Des Moines, Iowa 50319-0066; via E-mail at iowa.sec@iid.state.ia.us; or from the division Web site at <http://www.iid.state.ia.us/division/securities>.~~

ITEM 5. Amend subparagraph **50.12(1)“a”(4)** as follows:

(4) Pay a \$30 \$40 filing fee to FINRA if applying for registration as an agent of ~~an~~ a FINRA member broker-dealer, or to the administrator if applying for registration as an agent of a non-FINRA member broker-dealer.

ITEM 6. Amend paragraph **50.12(4)“e”** as follows:

e. A \$30 \$40 filing fee.

ITEM 7. Amend paragraph **50.18(2)“d”** as follows:

d. Pays a ~~\$30~~ \$40 filing fee.

[Filed 10/1/10, effective 11/24/10]

[Published 10/20/10]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 10/20/10.